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Justification for Determination

Pursuant to section 2(b)(6) of the Export-Import Bank Act of 1945, as amended, E.O. 11958 of January 18, 1977, as amended by Executive Order 12680 of July 5, 1989, and State Department Delegation of Authority No. 245 of April 23, 2001, I have made the determinations required for the Export-Import Bank to give approval to financing in connection with the sale of U.S. defense articles or services to be used by the Government of Venezuela (GOV) primarily for anti-narcotics purposes.

The defense articles or services to be provided are spare parts for the maintenance of 12 OV-10 aircraft. This maintenance is part of an ongoing upgrade of Venezuela's OV-10 fleet so that it can be more effective in the counter-narcotics role it has been assigned. The U.S. supplier is Boeing. The Venezuelan military continues to use the 12 OV-10 aircraft primarily to support anti-narcotics border control operations along its border with Colombia. The Venezuelan military has primary responsibility for combating cross-border transport of drugs and the cultivation of opium poppies on Venezuelan territory. Venezuela is a major transit country for the shipment of illegal drugs to the United States. The Venezuelan armed forces play a large role in GOV efforts to interdict drugs destined for the United States and Europe. U.S.-Venezuelan cooperation in counter-drug programs is strong.

Based on assurances from the GOV and the assessment of our Embassy in Venezuela, which strongly supports the proposed transaction, I have determined that the defense articles and services are being sold primarily for anti-narcotics purposes. I have also determined that Ex-Im Bank financing of these defense articles or services is in the U.S. national interest. In that regard, I note that the proposed sale would be consistent with the anti-narcotics policy of the United States insofar as it would enhance Venezuela's anti-narcotics efforts. I also note that Venezuela is a major drug transit country that the President has determined has cooperated fully with the United States or has taken adequate steps on its own to achieve full compliance with the goals and objectives established by the United Nations Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances. Venezuela, which has a parliamentary system of government, has had uninterrupted democracy since 1958.

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The requirement for a third determination -- that the Government of Venezuela has complied with all U.S.-imposed end use restrictions on the use of defense articles and services previously financed under the Act -- is not applicable at this time as the six prior transactions involving Ex-Im Bank financing of defense articles and services for Venezuela have not been completed. The requirement for a fourth determination -- that the Government of Venezuela has not used defense articles or services previously provided under the Act to engage in a consistent pattern of gross violations of internationally recognized human rights -- is also not applicable at this time for the same reason. Two previous Venezuelan cases that involved Ex-Im Bank financing in support of the maintenance and refurbishment services for OV-10 aircraft have not been completed. In four other previous cases involving the sale of two logistical support vessels, the modification of four navy frigates, and two transactions involving the modification of four Landing Ship, Tank (LST) vessels supporting the frigates, the vessels or services have not yet been delivered or completed. They therefore are not yet subject either to a general end-use determination or to a human rights end-use determination.

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